GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA

STARRED QUESTION NO:335
ANSWERED ON:12.12.2001
OPENING UP OF THE LONG DISTANCE CALL SECTOR
N.N. KRISHNADAS

Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether the Government have decided to open up the long distance call sector;

(b) if so, the details thereof;

(c) whether there would be any impact on the existing Public Sector; and

(d) if so, the details thereof?

Answer

THE MINISTER OF PARLIAMENTARY AFFAIRS, INFORMATION TECHNOLOGY AND COMMUNICATIONS (SHRI PRAMOD MAHAJAN)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT TO BE LAID ON THE TABLE OF THE LOK SABHA IN RESPECT OF PARTS (a) TO (d) OF LOK SABHA STA QUESTION NO. 335 FOR 12TH DECEMBER, 2001 REGARDING OPENING UP OF THE LONG DISTANCE CALL SECTOR.

(a) Yes, Sir.

(b) Government has accepted the recommendations of the Telecom Regulatory Authority of India in respect of opening of International Long Distance Service to private sector from 1st April, 2002. The salient features of the recommendations of the Telecom Regulatory Authority of India, which were sought in accordance with the provisions of the Telecom Regulatory Authority of India Act, 1997 for grant of licence for International Long Distance Service, are given in the Annexure.

(c) & (d): Introduction of competition in International Voice Traffic is expected to enable the public sector to provide more efficient and better quality service at more affordable rates to the subscribers.

ANNEXURE

Salient features of recommendations of Telecom Regulatory Authority of India (TRAI) for grant of licence for International Long Distance.

- Unrestricted entry.

- All bearer services to be provided by the Licensee.

- Entry fee of Rs. 25 crores.

- Net worth of applicant company: Rs. 25 crores.

- Performance Bank guarantee of Rs. 25 crores.

- Annual Licence fee 15% of Adjusted Gross Revenue (AGR).

- Licence period of 20 years.

- Roll out obligations:

- A minimum of four Points of Presence (POPs) i.e. one in each Region of the country i.e. Eastern, Western, Northern & Southern will need to be established within three years of signing the licence agreement.

- Delivery of traffic to all the countries in the World to be ensured through atleast four Direct Routes i.e. one each to North America, Gulf Region, Europe and any one location in South East Asia, Far East and Oceania within three years of signing the licence agreement.

- Interconnection of International Long Distance (ILD) network; Access provider may be allowed to interconnect with the International Long Distance Operator (ILDO) directly in situations where ILD Gateway switches and that of Access Provider`s (GMSC/Transit Switch) are located at the same station.

- Two types of Quality of Service (QoS) are permitted.